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### Washington's Unemployment Rate Climbs to 7.7 Percent

OLYMPIA – Washington's seasonally adjusted unemployment rate for June gained three-tenths of a percentage point to reach 7.7 percent, Employment Security Commissioner Sylvia P. Mundy announced today. The nation's seasonally adjusted unemployment rate also rose three-tenths of a percentage point to 6.4 percent. Washington's nonadjusted unemployment rate increased by four-tenths of a percentage point to 7.6 percent.

"The state's unemployment rate has reached its highest level since April 2002," said Mundy. "This news is in contrast to other signs that the economy is beginning to strengthen. The rise in the unemployment rate, adjusted for normal seasonal variation, was caused by a decrease in current employment rather than an increase in job seekers," Mundy explained. "While some sectors are showing signs of recovery, businesses overall are not yet convinced that demand will be sufficient to justify hiring."

Washington's nonagricultural wage and salary employment rose by 11,000 jobs in June – an increase of 0.4 percent. Although there were continued slight declines in aerospace (-700), the bulk of job losses occurred in normal seasonal layoffs in both public and private education over the month. Private educational services lost 3,600 jobs, state education lost 3,900 jobs, and local education lost 300. The rest of local government also took a hit, declining by 1,700 jobs over the month.

Normal seasonal gains continued in construction (3,200), retail trade (1,700), transportation and warehousing (1,000), and leisure and hospitality (6,000). There was also a slight uptick in sectors that serve businesses with information up 1,000, financial activities up 900, and professional and business services up 1,400 jobs.

Washington's year-over-year change in nonagricultural employment was almost nil, rising by only 300 jobs since June 2002. There still remain, however, significant gainers and losers over the year. Manufacturing accounts for the vast majority of job losses, down 20,700 since June 2002. The transportation, warehousing, and utilities sector is also down from last year with 2,100 fewer jobs.

Other sectors show very little over-the-year change. Those sectors posting a less than one percent change in jobs include wholesale trade (+800 jobs, 0.7 percent), retail trade (+1,000 jobs, 0.3 percent), information (-500 jobs, 0.5 percent), professional and business services (+1,800 jobs, 0.6 percent), and government (+4,200 jobs, 0.8 percent).

Sectors showing some significant strength over last year include construction (+1,900 jobs, 1.2 percent), financial activities (+2,700 jobs, 1.9 percent), education and health services (+7,500 jobs, 2.4 percent), and leisure and hospitality (+2,900 jobs, 1.1 percent). More than three-quarters of the increase in government over the year, is accounted for by job increases in education. There are also slight increases in federal and other local government employment.